

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on November 20, 2008 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, New Jersey.

The following **Authority Members** were in attendance:

William Conroy, Designee of the Commissioner of Health and Senior Services (serving as Chair pro-tem); Ulysses Lee, Public Member (attending via conference call for a portion of the meeting); Maryann Kralik, Designee of the Commissioner of Banking and Insurance; and, Eileen Stokley, Designee of the Commissioner of Human Services;

The following **Authority staff members** were in attendance:

Mark Hopkins, Dennis Hancock, Steve Fillebrown, Jim Van Wart, Lou George, Ron Marmelstein, Suzanne Walton, Susan Tonry, Carole Conover, Michael Ittleison, Marji McAvoy, Bill McLaughlin, and Stephanie Bilovsky.

The following **representatives from State offices and/or the public** were in attendance:

Terry Dermody, Business Governmental Insurance Agency; Bob Osler, Virtua Health; Isabel Miranda, GluckWalrath; Brian Francz, Office of Management and Budget; Daniel Vullo, Greg Currall, AIG; Gary Walsh, Windels Marx Lane & Mittendorf; Jack Swire, Wachovia; Joseph Neal, Authorities Unit; and Clifford T. Rones, Office of the Attorney General.

### **CALL TO ORDER**

Mark Hopkins called the meeting to order at 10:04 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 22, 2008 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

In the absence of the Authority's Chairperson and Vice Chair, Ms. Stokley nominated Bill Conroy to serve as Chair pro-tem for the meeting. Ms. Kralik seconded. The vote was unanimous.

### **AB RESOLUTION NO. II-33**

**NOW, THEREFORE, BE IT RESOLVED**, that, in the absence of the Authority's Chairperson and Vice Chairperson, William Conroy will serve as the chair pro tem for the November 20, 2008 Authority meeting.

## **APPROVAL OF MINUTES**

### **October 23, 2008 Authority Meeting**

Minutes from the Authority's October 23, 2008 meeting were presented for approval. Ms. Stokley made a motion to approve the minutes; Mr. Kralik seconded. Mr. Conroy voted yes, Mr. Lee abstained, Ms. Kralik voted yes, and Ms. Stokley voted yes. The motion to approve the meeting minutes passed.

## **AMENDMENT OF PROJECT**

Marji McAvoy began by introducing Bob Osler from Virtua Health and Isabel Miranda from GluckWalrath. She then reminded the Members that Virtua Health Inc. Series 2004 Bonds were issued on December 3, 2004 in the principal amount of \$60,000,000 for the purpose of repaying a Capital Asset Program Loan and refinancing certain construction and equipment projects at the Marlton and Voorhees campuses and building purchase by Virtua-West Jersey. The bonds were also issued to finance new construction and renovation projects at the Marlton, Voorhees and Berlin campuses.

On September 27, 2006, the Members approved an amendment to the project to eliminate from bond proceeds the purchase of digital echocardiography equipment for all four facilities and add infrastructure projects at the Berlin and Marlton campuses and renovations of the Marlton emergency room.

Ms. McAvoy stated that Virtua accumulated additional savings and interest income in its construction fund of approximately \$3.4 million and now requests reimbursement to the capital funds for emergency room renovations and equipment that were paid for from Virtua's equity, undertaken concurrently with the 2004 project at the Marlton campus.

Ms. McAvoy directed the Members attention to the Members' meeting material where copies of a draft Resolution and Amendment No. 2 to the Loan Agreement had been prepared by GluckWalrath, bond counsel for the transaction. Included also was a draft Opinion of Bond Counsel opining that the execution of Amendment No. 2 will not affect the tax status of the bonds. The Attorney General's office reviewed the resolution and amendment with no objection to the Members' consideration of this matter.

Ms. Stokley moved to approve the requested Amendment of Project on behalf of Virtua Health. Ms. Kralik seconded. The vote was unanimous and the motion carried.

### **AB RESOLUTION NO. II-34**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the form of "**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATING TO A SECOND AMENDMENT TO THE PROJECT IN RESPECT OF THE AUTHORITY'S VARIABLE REVENUE BONDS, VIRTUA HEALTH ISSUE, SERIES 2004**" (*attached*), thereby amending the project for the Virtua Health Inc. Series 2004 bonds as specified in the Resolution and Amendment No. 2 to the Loan Agreement (*also attached*).

### ***REQUEST TO FULLY FUND THE OTHER POST-EMPLOYMENT BENEFIT TRUST***

Jim Van Wart reminded the Members that on December 21, 2000, the Authority approved a post-retirement health care plan for qualified employees of the Authority and their spouses. On March 23, 2006, the Authority approved the establishment of an OPEB Trust for the purpose of funding the annual actuarially computed liability of the Authority for these benefits. It also approved the payment of the liability for the years 2005 and 2006 in the amount of \$630,000, but, at that time, an OPEB Trust had not yet been established. On November 16, 2006, the Authority approved the inclusion in the 2007 budget the amount of \$333,872 for the payment of the 2007 liability.

At the December 2007 Authority meeting, the Members approved the form of the OPEB trust document and the funding thereof in the amount of \$974,576, which represented the actuarially computed liability for the years 2005, 2006 and 2007. In January 2008, the trust was formally executed by the Authority and the Bank of New York Mellon, as trustee, and the initial deposit of \$974,576 was made.

Mr. Van Wart reported that, since January 2008, staff has held several discussions with representatives of the New Jersey Economic Development Authority (“EDA”) and the New Jersey Educational Facilities Authority (“EFA”) regarding their trusts, which are essentially the same as this Authority’s (since they were prepared by the same law firm chosen by the Attorney General’s office). The discussions centered on their funding deposits into their trusts. It turns out that their funding levels were substantially greater than this Authority’s: EDA deposited \$9.1 million in 2007, and EFA’s initial contribution into their Trust was \$2 million in 2008. These deposits substantially reduce their need to make large deposits going forward.

As of December 31, 2008, the Authority’s actuarially computed liability will be \$2,786,064. Since the Authority is projecting a substantial positive cash flow in 2009, and this year has been positive as well, staff recommended that the OPEB Trust be fully funded in 2008 with a deposit equal to the aforementioned liability. This will eliminate the need for any future deposits unless the liability changes in the future. If this recommendation is approved, only the current year’s liability of \$388,928 will be expensed on the Authority’s financial statements for December 31, 2008. The balance of the deposit will be treated as a prepaid expense, which will have no effect on the Authority’s operations.

Ms. Stokley asked where the trust funds currently sit, to which Mr. Van Wart replied that \$974,576 currently sits in a fund at Bank of New York Mellon and these funds cannot be used for anything other than employee benefits. Mr. Van Wart also stated for Ms. Stokley that the pros of fully funding the trust in 2008 include the fact that the Authority would not need to deposit any funds going forward into the trust. Also, if the Authority instead paid into the trust over time, it would cost more; for example, spreading the deposits over 25 years would cost the Authority approximately \$5 million.

Ms. Kralik moved to approve fully funding the Authority’s Other Post-Employment Benefit Trust Fund in 2008. Ms. Stokley seconded. The vote was unanimous and the motion carried.

### **AB RESOLUTION NO. II-35**

**NOW, THEREFORE, BE IT RESOLVED**, that, the Authority hereby approves fully funding its Other Post-Employment Benefit Trust in December 2008 with a deposit of \$2,786,064.

### ***REQUEST TO WAIVE ADMINISTRATIVE FEES FOR THE CAPITAL ASSET PROGRAM***

Ron Marmelstein reported that, due to the turmoil in the variable rate market in the past couple of months, the Capital Asset Program Series A-D had to charge ever increasing interest rates to its borrowers. Staff suggested easing the unexpected burden on these borrowers by waiving the Authority's administrative fees for the Capital Asset Program for the months of September and October 2008. This would result in a reduction of \$12,500 to the Authority's revenue.

Mr. Van Wart further explained that, during the month of September, the interest rates on the CAP Program bonds increased from 1.85% to 6.20% the following week, and then to 8.25% the week after. Even though only \$35 million is currently on loan through the program, the Authority must pay interest on the total \$100 million in bonds dedicated to the program. As such, the borrowers were paying rates above 9% for these funds. Waiving these fees would ease some of the burden on the cost increase to the borrowers for September and October.

Mr. Van Wart added that in November, the rates have normalized and even dropped lower than they had been (0.8% for one week in November); therefore, the waiving of these fees is only suggested for the two-month period in which the rates were exceptionally high.

Mr. Marmelstein clarified for Ms. Stokley that this will only cost the Authority \$12,500; Mr. Ronces stated for Ms. Stokley that waiving these fees is allowable by law.

Ms. Stokley moved to waive the Authority's Capital Asset Loan Program's administrative fees for the period of September 2008 through October 2008, as recommended by staff. Mr. Lee seconded. The vote was unanimous and the motion carried.

### **AB RESOLUTION NO. II-36**

**NOW, THEREFORE, BE IT RESOLVED**, that, the Authority hereby waives administrative fees for its Capital Asset Loan Program for the period of September 2008 through October 2008.

### ***EXTENSION OF RESOLUTION AUTHORIZING AUCTION RATE BOND CONVERSIONS***

Referencing the Members' meeting materials, Mr. Conroy noted that the Authority's Resolution HH-102, which delegates to certain Authority officers the ability to approve conversions of auction rate bonds to other structures, expires at the end of this year. While many of the Authority's borrowers have benefitted from this resolution, RWJ Health Care Corp. at Hamilton will not be able to complete a conversion within this time frame. Therefore, staff recommended extending the resolution's expiration date to June 30, 2009.

Ms. Stokley asked if the extension would only be applicable for RWJ Health Care Corp. at Hamilton, to which it was replied that this was a general resolution; therefore, the two borrowers who currently have outstanding auction rate debt with the Authority could take advantage of the extension.

Ms. Kralik moved to extend the resolution's expiration date, as recommended. Ms. Stokley seconded. The vote was unanimous and the motion carried.

### **AB RESOLUTION NO. II-37**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby extends the expiration date of its **AB RESOLUTION HH-102** (*attached*) to June 30, 2009, thereby extending the time frame in which certain Authority officers have the ability to approve conversions of auction rate bonds to other structures.

### ***DIRECTORS & OFFICERS LIABILITY INSURANCE RENEWAL***

Mr. Ittleson began introducing Terry Dermody (the Authority's Insurance broker with the Business Governmental Insurance Agency and the broker under State contract) and Dan Vullo and Greg Currall (from AIG). Mr. Ittleson then reported that the Authority's \$20 million Directors and Officers ("D&O") Liability policy which is provided through National Union Fire Insurance Company of Pittsburgh, PA (a subsidiary of AIG) expires on December 18, 2008. The expiring policy was a one-year policy with a premium of \$82,580 and a NJ surcharge of \$1,156. The retention level, also known as deductible, on the expiring policy is \$175,000.

The Federal Government bailout of AIG and economic disaster that has affected the USA and world markets impacted the broker's ability to obtain coverage similar to that which AIG (through National Union) has offered in the renewal. Other carriers either offered only \$5 million in coverage and added exclusions for Bond Coverage or declined due to Bond Coverage. The broker also indicated that they had seen the same problem with other organizations' policy renewals. Further, staff received an email from the Arizona Authority describing the exact same issues, having received a premium quote from AIG that followed form with last year's policy while receiving other quotes with bond coverage exclusions or no premium quotes because of the bond coverage.

AIG offered a renewal premium of \$77,711 plus a NJ Surcharge of \$1,088 for a total of \$78,799. This represents a decrease of \$4,937 or 5.90% from the Authority's expiring policy while not losing any coverage and maintaining the retention level at 175,000.

Therefore, based on the current circumstance, staff recommended the renewal of the Authority's D&O Liability policy for the period December 18, 2008 through December 18, 2009 with National Union, subsidiary of AIG.

Ms. Stokley indicated some hesitation in voting for this recommendation due to limited knowledge in this area of business. Mr. Ittleson read a portion of a memo issued by Deputy Attorney General Cliff Rones regarding the question of renewing D&O liability insurance in 2003 which stated:

However, the public members of the Authority and the Authority staff are not State employees and are therefore not indemnified under the Tort Claims Act. It should also be noted that N.J.S.A. 59:10-8 empowers the State Treasurer and the Attorney General to set annual fees and charges payable for coverage and to fix monetary limits for such coverage. However, it is our understanding the requests for such coverage are generally denied. It is therefore recommended that the Authority maintain its existing insurance coverage.

Ms. Stokley asked about the other firms approached in pursuit of this coverage, to which Mr. Dermody replied that all of the major firms who actively provide D&O coverage were approached with very little success due to the turmoil in the market. He noted that most underwriters do not want to underwrite risk related to financial organizations at this time. Those

that are willing would not include bond coverage, may not have the capacity to provide \$20 million in coverage, and/or offer policies that are exorbitantly priced. Across the industry, it seems the firms that already provide the desired coverage are grandfathering existing policies for renewal but are not offering the coverage to new clients.

Mr. Conroy asked if the Authority has compared its D&O coverage with other organizations, to which Mr. Ittleson responded that the National Council of Health Finance Authorities collects information on D&O coverage and at one time, the organization even pursued pooled coverage for all of its authorities. However, due to the varying demands of the authorities seeking coverage, a pooled policy was not an option.

Mr. Lee moved to approve a one-year renewal of the Authority's Directors & Officers Liability Insurance policy with AIG. Ms. Stokley seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. II-38**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves a one-year renewal of the Authority's Directors and Officers Liability policy for the period December 18, 2008 through December 18, 2009 with National Union, subsidiary of AIG.

#### ***MODIFICATION TO THE AUTHORITY'S QUALIFIED BANKER'S LIST***

Mr. Conroy reminded the Members that, in October, the Authority removed Lehman Brothers from its list of Qualified Bankers following Lehman's acquisition by Barclays. Barclays has since submitted a Statement of Qualifications requesting its addition to the Authority's Qualified Bankers List in all categories. Mr. Conroy noted that, according to staff, the information submitted indicates that Barclays is qualified under the Authority's standards to serve as: senior manager, financial advisor, placement agent, co-manager and remarketing agent.

Ms. Kralik moved to add Barclays to the Authority's Qualified Bankers List allowing the firm to serve as senior manager, financial advisor, placement agent, co-manager and remarketing agent for Authority transactions. Ms. Stokley seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. II-39**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adds Barclays to its Qualified Bankers List allowing the firm to serve as senior manager, financial advisor, placement agent, co-manager and remarketing agent for Authority transactions.

#### ***AUTHORITY EXPENSES***

Mr. Conroy referenced a summary of Authority expenses and invoices. Ms. Stokley offered a motion to approve the bills and to authorize their payment; Ms. Kralik seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. II-40**

**WHEREAS**, the Authority has reviewed memoranda dated November 13, 2008, summarizing all expenses incurred by the Authority in connection with FHA Mortgage Servicing, Trustee/Escrow Agent/Paying Agent fees, and general operating expenses in the amounts of \$194,188.81, \$33,000.07 and \$87,931.62 respectively, and has found such expenses to be appropriate;

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves all expenses as submitted and authorizes the execution of checks representing the payment thereof.

#### ***STAFF REPORTS***

Mr. Conroy thanked staff for their preparation of staff reports, including the Project Development Summary, Cash Flow Statement, and Legislative Advisory.

Mr. Hopkins then offered the following items in his Executive Director's Report:

1. The Department of Health and Senior Services is expected to award the \$44 million appropriated for Hospital Stabilization Grants shortly. Authority Members will recall that the stabilization grants came about as a direct result of the Reinhardt Commission's recommendation to help struggling essential hospitals survive until they could stabilize their finances.
2. Assembly Bill A3389 was introduced by Assemblyman Barnes and passed the Assembly on November 17th. Senator Vitale is sponsoring an identical bill in the Senate. The bill clarifies the meaning of "the termination of the provision of hospital acute care services" in the Hospital Asset Transformation Program as including "the actual closure of, or other action taken to terminate acute care services at, a nonprofit hospital and the surrender of its license to provide hospital acute care services at that specific location, which occurred after the issuance by the commissioner of, and in accordance with the provisions of, a certificate of need... without regard to any pending appeal by a third party of the issuance of the certificate of need."
3. In hospital news, on November 12th, Morristown Memorial Hospital opened its new 200,000 square foot \$200 million Gagnon Cardiovascular Institute, the largest hospital of its kind in the state. The facility was funded in large part by an Authority loan to Morristown's parent, Atlantic Health System.

On October 31st, Capital Health System held a groundbreaking ceremony for its new 540,000 square foot, 233-bed hospital in Hopewell. The hospital will replace Capital's Mercer Medical Center in Trenton and is expected to open in 2011. Capital is expecting to finance the hospital through a loan from the Authority which should close, market permitting, in the first half of 2009.

On October 19th, Mark Jones started as President of The University Medical Center at Princeton and Senior Vice President of its parent, Princeton HealthCare System. Mr. Jones has been with Holy Redeemer Health System in Pennsylvania since 1994, most recently as Executive Vice President and Chief Operating Officer. Mr. Jones replaces Vince Joseph, who was hired in

January 2007 and left earlier this summer to pursue another opportunity. Mr. Jones reports to Barry Rabner, who continues as President and CEO of Princeton HealthCare.

At this point, the meeting was paused to await the arrival of Mr. Lee, who had been attending the meeting by telephone, so that he could deliver the following presentation in person. He arrived shortly thereafter and the meeting continued.

### ***FINANCE COMMITTEE REPORT***

In a report on the Authority Finance Committee's most recent meeting, Ulysses Lee, Member of the Committee, reported that the Committee met on October 14th to discuss the Authority's proposed 2009 budget. He stated that the Committee is pleased to recommend this budget for the Members' approval.

The proposed 2009 budget reflects an estimated operating expense of approximately \$3.5 million, which is roughly \$800,000 less than the 2008 amended budget. The budget also estimates operating income of just over \$4 million and an interest income of approximately \$131,000, resulting in a net income of \$718,470 in 2009. In addition to that net income, the Authority anticipates receiving \$499,992 in principal payments from the Authority's loan to IJKG. Mr. Lee noted that these figures do not include increases in staff compensation, which will be discussed in Executive Session.

Mr. Lee pointed out a few differences between the 2008 and 2009 budgets. One notable difference is an increased income of \$81,927 from the Authority's Mortgage Servicing duties. This increase reflects the expected addition of the FHA-insured Jersey City Medical Center Series 2001 and 2003 issues to the Authority's mortgage servicing portfolio during the first quarter of 2009. Contrary to that increase, however, is the Authority's Interest Income which is expected to decrease by \$139,104 in 2009. Interest Income is based on the investment of an estimated \$2,838,000 in the New Jersey Cash Management Fund at 2%, plus interest to be received on the Authority's loan to Bayonne/IJKG Propco at 4%. The projected decrease reflects the transfer of approximately \$2,786,000 to the Authority's Post-Retirement Health Benefits Trust in December 2008, as approved earlier in the meeting.

Other reduced expenses in the fringe benefits line-item include the Authority's health benefit and prescription drug premiums, which combine for a decrease of \$37,585. This is a significant drop from the 2008 budget, which was created during the uncertainty of an overhaul to the State's Health Benefits Program. The new plan took affect on April 1, 2008; this budget reflects the premium percentage adjustments recommended by the Actuarial for the State.

Of the eleven items listed under Office Expenses, ten reflect decreases, including a \$20,000 decrease for the Archival Documents line item. This is the result of the Request for Proposal undertaken in 2008 which resulted in a substantially lower priced contract than what the Authority had been paying. The only increase in Office Expenses is an \$8,500 boost due to several staff members having expressed interest in the Authority's educational benefit.

Two other expense reductions of note are the result of completed one-time events, namely the *Commission on Rationalizing New Jersey's Health Care Resources* (for which the Authority had been funding a consultant) and the Barnert Hospital Bankruptcy (for which the Authority hired Special Counsel).



Mr. Lee reminded the Members that many of the Authority's expenses are dictated by outside entities, such as payments to the Division of Law for DAG services and to the Authorities Unit. Still, it was clear to the Committee that staff continues to look to lower costs where possible. On behalf of the Committee, Mr. Lee applauded staff's due diligence to keep costs to a minimum. Mr. Lee then stated that the Committee is pleased to recommend the proposed 2009 budget, but first, he would like to make a motion for the Members to meet in Executive Session, as permitted by the Open Public Meetings Act and the Authority's By-Laws, to discuss matters related to personnel, specifically, staff salaries. Mr. Hopkins added that staff would like the Members to meet in Executive Session to also discuss contract negotiations and receive advice from the Attorney General's office related to St. Mary's Hospital of Passaic.

Mr. Lee amended his motion to request that the Members meet in Executive Session to discuss matters related to personnel, receive advice from the Attorney General's office, and discuss contractual negotiations regarding St. Mary's Hospital of Passaic, as permitted by the Open Public Meetings Act and the Authority's By-Laws. Ms. Kralik seconded the motion. The vote was unanimous and the motion carried. Mr. Conroy noted that the results of this discussion will be made public when the need for confidentiality no longer exists.

#### **AB RESOLUTION NO. II-41**

**NOW, THEREFORE, BE IT RESOLVED**, that, as permitted by the Open Public Meetings Act and the Authority's By-Laws, the Authority meet in Executive Session to discuss staff salaries as a matter related to personnel, receive advice from the Attorney General's office, and discuss contractual negotiations regarding St. Mary's Hospital of Passaic;

**BE IT FURTHER RESOLVED**, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

Public session reconvened. Mr. Lee made a motion to approve the proposed 2009 Authority Budget; Ms. Stokley seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. II-42**

**NOW, THEREFORE, BE IT RESOLVED**, that, the Authority hereby approves the proposed 2009 Authority Budget.

As there was no further business to be addressed, Ms. Kralik moved to adjourn the meeting, Ms. Stokley seconded. The vote was unanimous and the motion carried at 11:31 a.m.

I HEREBY CERTIFY THAT THE FOREGOING  
IS A TRUE COPY OF MINUTES OF THE NEW  
JERSEY HEALTH CARE FACILITIES  
FINANCING AUTHORITY MEETING HELD  
ON NOVEMBER 20, 2008.

---

Dennis Hancock  
Assistant Secretary

## **AMENDMENT NO. 2 TO LOAN AGREEMENT**

THIS AMENDMENT NO. 2 TO LOAN AGREEMENT (the “Second Amendment to Loan Agreement”), dated as of \_\_\_\_\_, 2008 (the “Effective Date”), by and between the New Jersey Health Care Facilities Financing Authority (the “Authority”), a public body corporate and politic and a political subdivision of the State of New Jersey, and VIRTUA HEALTH, INC., a non-profit corporation duly created and validly existing under the laws of the State of New Jersey (together with its successors and permitted assigns, the “Institution”). Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Loan Agreement (as defined below).

### **WITNESSETH**

**WHEREAS**, the Authority financed the cost of the Project by the issuance of its Bonds pursuant to a Trust Indenture dated as of December 1, 2004 (the “Indenture”) with The Bank of New York, as trustee (the “Trustee”); and

**WHEREAS**, in connection with the financing of the Project, the Institution entered into, among other things, a Loan Agreement with the Authority dated as of December 1, 2004 (the “Loan Agreement”), which sets forth the terms of the loan by the Authority to the Institution; and

**WHEREAS**, on September 27, 2006 the Institution, the Authority and the Trustee entered into Amendment No. 1 to the Loan Agreement in order to amend the scope of the Project by eliminating certain items and adding certain additional items (“First Amendment to Loan Agreement”); and

**WHEREAS**, the Institution has notified the Authority that it wishes to amend the scope of the Project by eliminating certain items and adding certain additional items; and

**WHEREAS**, it is necessary to amend Exhibit A of the Loan Agreement in order to implement such changes and substitutions to the Project; and

**WHEREAS**, the requirements of Section 3.2 of the Loan Agreement have been satisfied and the parties now desire to enter into this Second Amendment to Loan Agreement; and

**WHEREAS**, this Second Amendment is authorized by Section 8.5 of the Loan Agreement and Sections 9.01 and 9.06 of the Trust Indenture.

**NOW, THEREFORE**, in pursuance of said agreement and consideration of the sum of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually covenant and agree as follows:

**Amendments to the Loan Agreement.** Effective as of the Effective Date, the Loan Agreement shall be amended as follows:

The Loan Agreement is hereby amended by adding the information in “Exhibit A” attached to this Second Amendment to Loan Agreement. Henceforth, all references in the Loan Agreement to such original Exhibit A shall refer to Exhibit A, as amended previously and as amended hereby.

Whenever appearing in the Loan Agreement, the term “Loan Agreement” shall be deemed to mean the Loan Agreement as amended hereby.

Except as otherwise provided herein, all of the provisions of the Loan Agreement are hereby confirmed and ratified and shall remain in full force and effect.

**Waiver.** The provisions of Section 3.2(a)(ii) and 3.2(b) of the Loan Agreement are hereby waived by the Authority with respect to this Second Amendment to Loan Agreement.

**Ratification.** Except as otherwise provided herein, all of the provisions of the Loan Agreement are hereby confirmed and ratified and shall remain in full force and effect.

**Successors and Assigns.** This Second Amendment to Loan Agreement shall be binding upon and inure to the benefit of the Institution and the Authority and their respective successors and/or assigns.

**Governing Law.** This Second Amendment to Loan Agreement shall be governed by and construed according to the laws of the State of New Jersey.

**Counterparts.** This Second Amendment to Loan Agreement may be signed in any number of counterparts each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

**Fees and Expenses.** The Institution hereby agrees to pay all fees and expenses of the Authority and the Trustee incurred in connection with this Second Amendment to Loan Agreement, including without limitation, reasonable legal fees and expenses.

IN WITNESS WHEREOF, each of the undersigned has executed this Second Amendment, effective as of the Effective Date.

NEW JERSEY HEALTH CARE  
FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
Name: Mark E. Hopkins  
Title: Executive Director

VIRTUA HEALTH, INC.

By: \_\_\_\_\_  
Name: Richard P. Miller  
Title: President and  
Chief Executive Officer

**CONSENTED TO:**  
THE BANK OF NEW YORK MELLON,  
as Trustee

By: \_\_\_\_\_  
Name: Andrea Harris  
Title: Vice President

**ACKNOWLEDGED AND APPROVED:**  
VIRTUA MEMORIAL HOSPITAL  
BURLINGTON COUNTY, INC.

By: \_\_\_\_\_  
Name:  
Title:

VIRTUA WEST JERSEY HEALTH  
SYSTEM, INC.

By: \_\_\_\_\_  
Name:  
Title:

**CONSENTED TO:**

WACHOVIA BANK,  
NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: Jack Swire  
Title: Senior Vice President

**RESOLUTION AUTHORIZING THE EXECUTION AND  
DELIVERY OF VARIOUS DOCUMENTS RELATING TO A  
SECOND AMENDMENT TO THE PROJECT IN RESPECT  
OF THE AUTHORITY'S VARIABLE REVENUE BONDS,  
VIRTUA HEALTH ISSUE, SERIES 2004**

---

**WHEREAS**, the New Jersey Health Care Facilities Financing Authority (the "Authority") was duly created and now exists under the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c. 29, N.J.S.A. 26:2I-1 et seq. as amended (the "Act"), for the purpose of ensuring that all health care institutions have access to financial resources to improve the health and welfare of the citizens of the State of New Jersey; and

**WHEREAS**, on December 3, 2004, the Authority issued \$60,000,000 aggregate principal amount of its Variable Rate Revenue Bonds, Virtua Health Issue, Series 2004 (the "Bonds") pursuant to a Trust Indenture, dated as of December 1, 2004 (the "Trust Indenture"), between the Authority and The Bank of New York, as trustee (the "Trustee"), which Trust Indenture was authorized by a resolution adopted by the Authority on October 28, 2004; and

**WHEREAS**, the Authority loaned the proceeds of the Bonds to Virtua Health, Inc. (the "Institution") pursuant to a Loan Agreement, dated as of December 1, 2004 (the "Original Loan Agreement"), between the Authority and the Institution, for the purpose of financing the various health care projects to be located at the Institution in Voorhees, Marlton, Berlin and Mt. Holly, New Jersey (collectively, the "Project"); and

**WHEREAS**, inasmuch as a portion of the Project was to be owned or used from time to time by Virtua West Jersey Health System, Inc. ("Virtua-West-Jersey") and/or Virtua-Memorial Hospital of Burlington County, Inc. ("Virtua-Memorial" and collectively, with Virtua-West Jersey, the "Affiliates"), affiliates of the Institution, the Authority required that Virtua-West Jersey and Virtua-Memorial each execute and deliver a Letter of Representations and Agreements (collectively, the "Original Letters of Representations") by which Virtua-West Jersey and Virtua-Memorial made certain representations and agreements in connection with Virtua-West Jersey and Virtua-Memorial and the portion of the Original Project to be owned and/or used by Virtua-West Jersey and Virtua-Memorial.

**WHEREAS**, the Bonds are secured by a Letter of Credit issued by Wachovia Bank, National Association (the "Bank"), dated December 3, 2004; and

**WHEREAS**, the Original Loan Agreement was thereupon assigned, pursuant to an Assignment dated as of December 1, 2004 (the "Original Loan Agreement Assignment"), from the Authority to the Trustee; and

**WHEREAS**, on September 27, 2006, the Authority and the Institution executed Amendment No. 1 to Loan Agreement (collectively with the Original Loan Agreement, the

“Loan Agreement”), which amended the Original Loan Agreement and modified certain portions of the Project, which amendment was thereupon assigned, pursuant to an Assignment dated as of September 27, 2006 (the “2006 Amendment Assignment”), from the Authority to the Trustee;

**WHEREAS**, the Institution has subsequently determined to eliminate certain additional items and add certain other items to the scope of the Project; and

**WHEREAS**, to implement such changes the Institution and the Affiliates must, inter alia, amend certain provisions of the Loan Agreement and the Original Letters of Representations; and

**WHEREAS**, pursuant to Section 3.2(a) of the Original Loan Agreement, the Institution has, by correspondence dated November 7, 2008 (a copy of which is attached hereto as Exhibit A), heretofore represented to the Authority that no certificate of need is necessary for the completion of these additional Project items, that no approval from the New Jersey Department of Community Affairs to any changes in the plans and specifications of the Project is required, and that no additional moneys (in excess of the moneys available in the Project Fund) are required for such amendments; and

**WHEREAS**, Section 9.09 of the Trust Indenture requires the Bank to consent any amendment to the Original Loan Agreement; and

**WHEREAS**, pursuant to Section 9.09 of the Trust Indenture, the Institution has heretofore obtained the written consent of the Bank (a copy of which is attached hereto as Exhibit B) to an amendment to the Original Loan Agreement to implement such change; and

**WHEREAS**, Virtua-West Jersey and Virtua-Memorial will each provide to the Authority and the Trustee an Amendment No. 2 to each of the Letter of Representations by which Virtua-West Jersey and Virtua-Memorial will ratify and confirm the representations and agreements made in the Original Letters of Representations with respect to the Project, as amended; and

**WHEREAS**, pursuant to Section 3.2(a) of the Loan Agreement and Section 9.06 of the Trust Indenture, in connection with the proposed amendment to the Loan Agreement, the Institution will provide for the delivery to the Authority and the Trustee of a legal opinion from GluckWalrath LLP, bond counsel to the Authority (the “Bond Counsel Opinion”), in substantially the form attached to this resolution as Exhibit C; and

**WHEREAS**, pursuant to paragraph (a)(2) of the Original Loan Agreement Assignment, the Authority has retained the exclusive right and duty to execute supplements and amendments to the Loan Agreement; and

**WHEREAS**, the Authority has received all documents and materials required by the Loan Agreement, including particularly, the provisions of Section 3.2(a) thereof, as a condition precedent to the Second Amendment; and

**WHEREAS**, the Authority now desires to authorize the execution and delivery of such documents and the taking of such actions as may be necessary to accomplish the foregoing purposes;

**NOW, THEREFORE, BE IT RESOLVED** by the New Jersey Health Care Facilities Financing Authority, as follows:

Section 1.     Amendment to Loan Agreement and Assignment Thereof. The Amendment No. 2 to Loan Agreement between the Authority and the Institution and consented to by the Trustee (the “Second Amendment to Loan Agreement”) and the Assignment thereof from the Authority to the Trustee (the “Assignment of Second Amendment to Loan Agreement”), in the forms attached to this resolution as Exhibit D, are hereby approved. Any Authorized Officer of the Authority is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer of the Authority is hereby authorized and directed to affix and attest the seal of the Authority to the Second Amendment to Loan Agreement and the Assignment of Second Amendment to Loan Agreement in substantially such forms, with such insertions and changes therein and any supplements thereto as counsel may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof.

Section 2.     Additional Actions. The Authorized Officers of the Authority are hereby authorized to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in connection with the foregoing matters.

Section 3.     Prior Resolutions. All prior resolutions of the Authority or provisions thereof inconsistent herewith are hereby repealed.

Section 4.     Effective Date. This resolution shall take effect upon the occurrence of both (i) ten (10) days, exclusive of Saturdays, Sundays and public holidays, after delivery to the Governor of the minutes of the meeting of the Authority at which this resolution is adopted, or at such earlier time as the Governor signs a statement of approval, all in accordance with subsection (i) of Section 4 of the Act, and (ii) receipt by the Authority of the Bond Counsel Opinion, in form and substance satisfactory to the Authority and the Office of the Attorney General of the State, required by Section 3.2 of the Loan Agreement.

## CONSENT TO AMENDMENT

I, the undersigned authorized officer of Wachovia Bank, National Association (the “Bank”), hereby certify as follows:

1. As issuer of a Letter of Credit, dated December 3, 2004, in respect of the \$60,000,000 Variable Rate Revenue Bonds, Virtua Health, Inc. Issue, Series 2004 (the “Series 2004 Bonds”) of the New Jersey Health Care Facilities Financing Authority (the “Authority”), the Bank hereby consents to the execution and delivery by the Authority and Virtua Health, Inc. (the “Institution”) of an Amendment No. 2 to Loan Agreement (the “Second Amendment to Loan Agreement”), which Second Amendment to Loan Agreement will amend the Loan Agreement, dated as of December 1, 2004, as amended, between the Authority and the Institution in order to change and substitute the project items reflected on Schedule A attached hereto.

2. This consent is given pursuant to Section 9.09 of the Trust Indenture, dated as of December 1, 2004 between the Authority and The Bank of New York, as trustee, relating to the Series 2004 Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of November, 2008.

**WACHOVIA BANK, NATIONAL  
ASSOCIATION**

By: \_\_\_\_\_  
Jack I. Swire  
Vice President



## ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS that the NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY (the "Authority") having its principal office at P.O. Box 366, Trenton, New Jersey 08625 does hereby sell, assign, transfer and set over to The Bank of New York as trustee (the "Trustee") under the Trust Indenture, dated as of December 1, 2004, between the Authority and the Trustee and relating to the Authority's Variable Rate Revenue Bonds, Virtua Health, Inc. Issue, Series 2004, all the right, title and interest of the Authority in and to the Amendment No. 2 to Loan Agreement (the "Second Amendment to Loan Agreement"), dated as of \_\_\_\_, 2008, between the Authority and Virtua Health, Inc. (the "Institution"), to the same extent as set forth in the Assignment dated as of December 1, 2004 heretofore made by the Authority to Trustee in respect of the Loan Agreement, dated as of December 1, 2004, between the Authority and the Institution.

IN WITNESS WHEREOF, NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY has caused this Assignment to be duly executed and attested by its duly authorized officers and this Assignment to be dated as of \_\_\_\_, 2008.

[SEAL]

NEW JERSEY HEALTH CARE  
FACILITIES FINANCING AUTHORITY

Attest:

\_\_\_\_\_  
Name: Dennis Hancock  
Title: Assistant Secretary

By: \_\_\_\_\_  
Name: Mark Hopkins  
Title: Executive Director

## **AB RESOLUTION NO. HH-102**

(approved February 28, 2008)

### **A RESOLUTION AUTHORIZING ACTIONS TO BE TAKEN BY AN AUTHORIZED OFFICER OF THE AUTHORITY REGARDING CONVERSION OF BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AS AUCTION RATE BONDS**

---

**WHEREAS**, the Authority was duly created and now exists under the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c.29, as amended (N.J.S.A. 26:2I-1, et seq.) (the “**Act**”), for the purpose of ensuring that all health care institutions have access to financial resources to improve the health and welfare of the citizens of the State of New Jersey (the “**State**”); and

**WHEREAS**, the Authority is authorized under the Act to make loans to “health care organizations” for the construction of “projects” (as such terms are defined in the Act) and to issue its bonds for the purpose of carrying out its powers under the Act; and

**WHEREAS**, the Authority has previously authorized and issued certain bonds on behalf of various “health care organizations” (hereinafter, each a “Borrower” and collectively, the “**Borrowers**”) bonds for the purposes of carrying out its powers under the Act, which bonds have been issued in the form of auction rate bonds (the “**Auction Rate Bonds**”); and

**WHEREAS**, the Authority authorized the issuance of such Auction Rate Bonds pursuant to resolutions of the Authority (each, a “**Bond Resolution**” and collectively, the “**Bond Resolutions**”); and

**WHEREAS**, such Bond Resolutions, in addition to authorizing the Auction Rate Bonds, would have approved the authorization and execution of documents relating to the issuance of such Auction Rate Bonds, which documents may have included trust agreements, loan agreements, auction agreements, broker-dealer agreements and other documents necessary to provide for such issuance (the “**Bond Documents**”); and

**WHEREAS**, in most cases, such documents would also have provided for (i) the ability to change the periods for conducting auctions regarding Auction Rate Bonds, (ii) the ability to convert Auction Rate Bonds to other types of products, including other variable rate products or fixed rate products; (iii) the ability to, upon the conversion of such Auction Rate Bonds to another variable rate product, to appoint additional parties under the documents, including, but not limited to, remarketing agents, substitute credit facility providers, additional liquidity providers and tender agents and (iv) the ability to do other things necessary to provide for the marketing and issuance of the Auction Rate Bonds in connection with the conversion; and

**WHEREAS**, the Authority realizes that the market for Auction Rate Bonds has become extremely volatile in recent days and that many auctions are not able to find buyers at rates that have been customary in the auction bond market, the result of which has been a significant increase in the borrowing rates for the Borrowers; and

**WHEREAS**, the Authority realizes that the Borrowers need to be able to have a great deal of flexibility in determining alternative solutions to the problems that each of them have in connection with their respective obligations to make payments under their loan arrangements with the Authority to support the Auction Rate Bonds, and may, on short notice, need to request assistance of the Authority regarding the conversion of Auction Rate Bonds to another mode as permitted under the Bond Documents; and

**WHEREAS**, it is the intention of the Authority to facilitate such conversions, it being understood that the issuance of refunding bonds would require additional action of the Authority beyond the purview of this Resolution; and

**WHEREAS**, the provisions of the Bond Documents and the policies of the Authority would need to be followed to accomplish these conversions and the Authority desires to provide as much assistance as feasible through the delegation to officers of the Authority the necessary authority to accomplish these solutions under the Bond Documents and the Authority policies; and

**WHEREAS**, the Authority has deemed it advisable to delegate the Authority set forth below solely with respect to such Auction Rate Bonds as are outstanding on the date of adoption of this Resolution so as to facilitate conversion to other variable rates or to a fixed rate as permitted under the provisions of such documents, which conversions may be made with or without bond insurance, credit enhancement or some other form of liquidity;

**NOW THEREFORE BE IT RESOLVED**, by the Authority, as follows:

**Section 1. Authorization under the Bond Resolution and the Bond Documents.** The Chairman, Vice Chairman, Secretary, Treasurer, Assistant Secretary, Assistant Treasurer, Executive Director or Deputy Executive Director of the Authority (each an “**Authorized Officer**”) are each hereby designated as an Authorized Officer of the Authority for purposes of this resolution. Notwithstanding the provisions of any Bond Resolution or Bond Document regarding an Auction Rate Bond as described in the recitals hereto to the contrary, any actions authorized under any of such documents to be accomplished by the Authority is hereby delegated to be authorized to be accomplished by an Authorized Officer of the Authority. As such, any Authorized Officer of the Authority is each hereby authorized and directed to execute, acknowledge and deliver, and a Secretary or Assistant Secretary is each hereby authorized and directed to affix and attest the seal of the Authority to any documents or any supplements or amendments to any Bond Documents that are required in the opinion of bond counsel to the Authority and the Attorney General to accomplish the purposes for which such actions are reasonably necessary, and such documents or amendments and supplements shall be in substantially such forms as such counsel may advise and the officers executing the same may approve, such approval to be evidenced by their execution thereof; provided that any such supplement or amendment shall be solely for the purpose of (i) providing a missing term in connection with the conversion of the interest rate mode of an issue of Auction Rate Bonds, (ii) to meet a legal requirement arising as a result of such conversion; or (iii) be made to meet the requirement of a bond insurer, letter of credit issuer, liquidity provider or rating agency .

**Section 2. Appointment of Remarketing Agent, Tender Agent, Substitute Credit Facility Provider and Liquidity Provider.** The Authorized Officers of the Authority are hereby authorized to appoint, upon the request of a Borrower, a Remarketing Agent, Tender Agent, Substitute Credit Facility Provider, Liquidity Provider or other entity, as necessary with respect to the conversion of any Auction Rate Bond made in accordance with the respective Bond Resolution and Bond Documents. Such appointment shall only be made if the Borrower has shown compliance with the provisions of the Authority’s policies and procedures regarding the appointment of the same, including compliance with policies relating to executive orders of the Governor.

**Section 3. Approval of Negotiated Sale or Private Placement.** The Authority understands that there is a great amount of volatility in the market for Auction Rate Bonds and that, as part of the solution, it may be necessary to remarket such Auction Rate Bonds as variable rate bonds or fixed rate bonds. As such, the Authority hereby finds that it is necessary in connection with the remarketing of the Auction Rate Bonds to approve a negotiated sale for such

remarketing or, in the alternative, to approve a private placement of such Auction Rate Bonds if the Borrower so requests. The Authority hereby authorizes an Authorized Officer of the Authority, to appoint a remarketing agent or managing underwriter (and co-managers, if necessary) or private placement purchaser, as the case may be, at the request of the Borrower, all chosen in accordance with the policies and procedures of the Authority, as supplemented by this resolution.

**Section 4. Interest Rates, Fees, Etc.** Except when such converted bonds become Bank Bonds, the interest rates on the converted bonds will not exceed the maximum interest rate provided in the Bond Document, and in no event shall exceed a true interest cost of 15%. Any Remarketing Agent appointed as provided in Section 2 above will be paid a fee, for a conversion to a variable rate mode, agreed to by the respective Borrower and the Authorized Officer of the Authority, provided, that, the initial remarketing agent fee shall not exceed 50 basis points per \$1,000 (\$5.00 per \$1,000 bond) of the principal amount of bonds being converted and the ongoing annual remarketing fee shall not exceed 25 basis points per \$1,000 bond (\$2.50 per \$1,000 bond) applied to the outstanding principal amount of the bonds. In the case of a conversion to fixed rate debt, the maximum remarketing agent or managing underwriter fee shall not exceed \$15.00 per \$1,000 of the principal amount of the converted bonds. Any Substitute Credit Facility Provider or Liquidity Provider fees shall be in amounts as agreed to by the Borrower and in no event shall the Authority be a party to the reimbursement agreement with any Substitute Credit Facility Provider or Liquidity Provider. In the case of any conversion to fixed rate debt, the final maturity shall be no later than the date specified in Bond Documents and any Authorized Officer is hereby authorized to approve redemption premiums, provided that no maximum redemption premium shall exceed the lesser of the maximum redemption premium set forth in the existing Bond Documents or 5%.

**Section 5. Contract of Purchase, Remarketing Agreement, Etc.** Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase or remarketing agreement as the situation may require (a "Contract of Purchase" or "Remarketing Agreement") by and among the Authority, the Remarketing Agent (or Managing Underwriter) (selected as provided above), on behalf of itself and any additional underwriters or managers appointed pursuant to this Section, and the applicable Institution in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof) for the purchase of any particular series of converted bonds at the price or prices to be agreed upon; provided; however, that the remarketing agent fee or managing underwriter fee for any particular series of bonds shall be as set forth above. A copy of the Remarketing Agreement or Contract of Purchase as executed shall be filed with the records of the Authority; (iii) the Authority hereby delegates to an Authorized Officer the appointment and determination of any co-senior managing underwriter and co-managers (collectively, the "Underwriters"), which firms shall be selected from the list previously approved by the Authority. The Remarketing Agent or Managing Underwriter shall be compensated in an amount or amounts as set forth above, with the execution of the Remarketing Agreement or Contract of Purchase being conclusive evidence of such approval; (iv) any particular series of converted bonds shall be dated and shall bear interest at such rate or rates set forth for the applicable maturities in the Remarketing Agreement or Contract of Purchase and in conformance with this Resolution; provided, however, that the true interest cost for any particular series of converted bonds shall not exceed the interest rate set forth above; and (iv) any particular series of converted bonds shall mature as set forth in the Remarketing Agreement or Contract of Purchase, in each of the years and in the amounts set forth in the Remarketing Agreement or Contract of Purchase; provided, that such maturity

amounts and the final maturity date are otherwise in conformance with the provisions of this Resolution.

**Section 6. Official Statements, Remarketing Disclosure Documents, Etc.** The Authority hereby authorizes the preparation, publication and distribution of a preliminary disclosure document in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copy of which shall be filed with the records of the Authority) (the "Preliminary Disclosure Document"). Any Authorized Officer is hereby authorized to "deem final" the Preliminary Disclosure Document with respect to any particular series of converted bonds in accordance with Rule 15(c)2-12 of the Securities and Exchange Commission, if applicable.

Any Authorized Officer of the Authority is hereby authorized and directed to execute and deliver a final disclosure document (the "Final Disclosure Document"), in substantially the form of applicable Preliminary Disclosure Document with respect to any particular series of converted bonds, with such changes, insertions and alterations as the Authorized Officer executing same shall approve with the advice of the applicable Bond Counsel of the Authority and the Attorney General of the State, such approval to be evidenced conclusively by the execution thereof by such Authorized Officer (a copy of which shall be filed with the records of the Authority). The titles of the disclosure documents referred to in this Section 6 shall be as determined by an Authorized Officer of the Authority.

**Section 7. Incidental Action.** The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the foregoing on behalf of a Borrower. Any action taken by an Authorized Officer pursuant to the terms of this Resolution shall be reported to the Authority at its next succeeding meeting.

**Section 8. Prior Resolutions, Expiration of this Resolution.** All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby replaced. The Authorizations provided by this Resolution shall expire on December 31, 2008.

**Section 9. Effective Date.** This Resolution shall take effect ten (10) days, exclusive of Saturdays, Sundays and public holidays, after delivery (and not including the day of delivery) to the Governor of the minutes of the meeting of the Authority at which this Bond Resolution is adopted or such earlier time as the Governor signs a statement of approval, all in accordance with the subsection (i) of Section 4 of the Act.